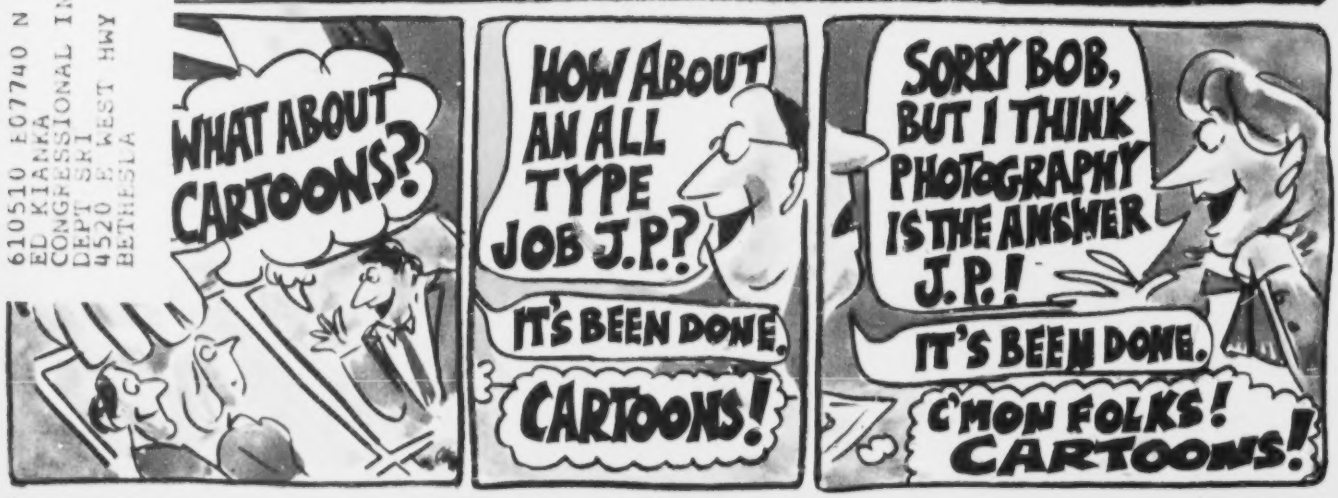
July thru Nov. 1986 not filmed

A5770-1

December 1986 Corporate Advertising

PUBLIC RELATIONS JOURNAL

610510 E07740 N 1
ED KIANKA
CONGRESSIONAL INFO SVC
DEPT SRI
4520 E WEST HWY
BETHESDA MD 20814


WHAT ABOUT CARTOONS?
HOW ABOUT AN ALL TYPE JOB J.P.?
IT'S BEEN DONE.
CARTOONS!
SORRY BOB, BUT I THINK PHOTOGRAPHY IS THE ANSWER J.P.!
IT'S BEEN DONE.
C'MON FOLKS! CARTOONS!

PUBLIC RELATIONS JOURNAL

December 1986 Vol. 42 No. 12

FEATURES

18 15th Annual Review of Corporate Advertising Expenditures

After a 69.2 percent increase in 1984, 1985's survey shows a decrease of 8.7 percent. Network television skews the findings. *By Meryl Davids*

21 Comic Relief

Trinova's current corporate ad campaign features images from Flash Gordon and Buck Rogers. Goodyear has the "Three Schmoos." Times Mirror has commissioned cartoonist Ralph Steadman. In their efforts to show corporate humor and humanity, have these companies started a trend? *By Michael Winkleman*

26 Clout

National Journal has 5,000 subscribers and a CPM that is 12 times higher than the *Washington Post*'s. But it's making money by accepting only corporate advertising—and the publics are responding. A talk with the publishers. *By Herbert Swartz*

page 26

WORKSHOP

29 How to Plan and Place Corporate Advertising in Print Media *By Meryl Davids*

How to Be Small and Successful *By Eileen Prescott*

page 29

BRIEFINGS

13 Making a Stink • Issue Alert: Sexual Harassment • Betty Crocker: New and Improved • Corporate Reputations: Survey Results

DEPARTMENTS

Inside Track 2
Readers' Digest
Michael Winkleman

Feedback 3

Media 6
Local Color
Jonathan Schenker, APR

Profile 10
Call Me Jack
Joseph Cosco

Opinion 12
Dancing with the Doyenne
Bob Bledsoe

On the Record 34
A Digest of News and Views

Updates 40
A Wrap-Up on the News

Literature Showcase 42

People 43

PRJ Classified 44

page 34

The *Public Relations Journal* is published by the Public Relations Society of America, 845 Third Avenue, New York, NY 10022.

Cover Illustration: *Karen Leon*

15th ANNUAL REVIEW OF CORPORATE ADVERTISING EXPENDITURES

by Meryl Davids

TOTAL expenditures for corporate advertising by companies fell in 1985 for the first time in three years, solely the result of a decrease in expenditures for network television. But corporation expenditures for other types of media tracked in the survey and corporate advertising expenditures by associations all saw increases in 1985.

This decrease in corporate expenditures for network television, industry experts say, may be less reflective of an impending trend than of the normal spending swings by a few big players and by the striking increase in network-TV corporate advertising the year before—due, in part, to the Olympic games.

"Nineteen eighty-four was an exceptionally inflated year," says corporate-advertising expert Thomas Garbett. "Seen in that light, 1985 was not a bad year at all. And, if you compare corporate advertising to the suffering that went on in the rest of the advertising field, you might even say it did surprisingly well."

The survey, compiled by Leading National Advertisers (LNA), tracks corporate advertising in consumer magazines, newspaper supplements, network and spot television, radio, and outdoor. Cable TV networks were also tracked for the first time in 1985. The report does not evaluate expenditures in newspapers, excluding such mainstays of corporate advertising as the *Wall Street Journal* and the *Washington Post*. For purposes of the survey, corporate advertising is defined as any advertising not promoting a specific product; issue advertising is included in the calculations.

Following on the heels of a 69.2 percent increase in total corporation expenditures in 1984, 1985's survey saw a decrease of 8.7 percent for the six media combined (Table 1). Network-television advertising, dropping 29.3 percent, was the only category to see a decline, but the substantial dollars involved in this medium were enough to reduce the overall total. By contrast, associations stepped up their spending in the six media by 36.6 percent over the previous year, including a record 143.2 percent increase in newspaper supplements.

Spot television continued to rise as a vehicle for corporate advertising. Corporations increased their spending in this category 6.9 percent in 1985, even after the phenomenal 285.2 percent growth the year before. And associations increased their spot purchases by 36.8 percent. Dick Severance, senior vice president of the Television Bureau of Advertising, says this growth in spot television is likely to continue. "Companies and organizations are recognizing that they have greater interests in some cities and not in others," he says.

Severance thinks the spot-TV increase is a better indication of overall trends than is the slump in network spending. "To a great extent, network TV is more reflective of what a few big corporations are doing," he says. "Companies come in with big dollars to correct big problems, but it's only temporary. Since the total dollars we're dealing with for corporate advertising is small, if a handful of companies throw a few million into the pot in the same year, a huge swing can result."

A large decrease in network television expenditures by a few of the biggest advertisers does, in fact, account for a substantial part of the overall decline. Dropping off the corporation Top 10 list entirely (Table 2) was 1984's number-five spender, Beatrice Company, which, following its recent leveraged buyout, is no longer a publicly held company and therefore no longer needs a corporate advertising campaign aimed at investors. The Reagan for President Committee—tabulated by LNA as a corporate advertisement—and sixth on 1984's list, was, of course, dropped at the end of that year.

And AT&T, slipping to second on this year's list of Top 10 advertisers behind the now-number one Ford Motor Company, weighs in at $22.5 million for network television in 1985, a sharp drop from the $51.6 million recorded for '84.

Dick Martin, corporate advertising manager for AT&T, says the drop in expenses parallels the company's divestiture timetable. "In 1984, our first year as a separate company—and a company no longer allowed to use the well-known 'Bell' name—we had to spend large sums of money to tell people who we were," he says. In 1985, the year when people were able to select their long-distance carrier, the company changed its campaign to tell people why they should choose AT&T. "That's when we launched our 'Right Choice' campaign," Martin says, "to influence the public's perception of our quality, reliability, and service."

The 'Right Choice' campaign included substantial use of network radio—AT&T was the only Top 10 company to use this medium to a great extent—because, Severance notes, the campaign had a good jingle that lent itself well to radio, and because the company wanted its slogan to register quickly and radio is a high-frequency medium.

AT&T's 'Right Choice' campaign illustrates a trend many observers say has

Article continues on page 48 ►

TABLE 1: CORPORATE ADVERTISING EXPENDITURES, 1981-1985

Corporation Advertising (in $ thousands)

	Consumer Magazines	Newspaper Supplements	Network Television	Spot Television	Radio	Outdoor	SIX-MEDIA TOTALS	Cable TV Networks*
1981	$249,152.0	$ 5,264.1	$118,794.7	$ 40,395.2	$ 7,866.4	$ 665.2	**$422,137.6**	*
1982	205,300.1	7,593.8	150,102.9	28,118.1	11,175.2	918.0	**403,208.1**	*
Percent change	(17.6%)	44.3%	26.4%	(30.4%)	42.1%	38.0%	**(4.5%)**	
1983	219,512.7	4,205.5	197,267.9	25,201.6	9,661.0	843.0	**456,700.7**	*
Percent change	6.9%	(44.6%)	31.4%	(10.4%)	(13.5%)	(8.2%)	**13.3%**	
1984	296,309.9	9,465.4	366,591.8	97,080.0	10,318.9	3,219.0	**782,985.0**	*
Percent change	34.9%	125.0%	85.8%	285.2%	6.8%	281.8%	**69.2%**	
1985	323,323.4	10,498.9	259,148.8	103,820.2	13,450.9	4,455.4	**714,697.6**	11,315.9
Percent change	9.1%	10.9%	(29.3%)	6.9%	30.4%	38.4%	**(8.7%)**	N/A

*1985 = first year measured

Association Advertising (in $ thousands)

	Consumer Magazines	Newspaper Supplements	Network Television	Spot Television	Radio	Outdoor	SIX-MEDIA TOTALS	Cable TV Networks*
1981	$46,222.8	$1,918.4	$ 50,125.4	$119,014.1	$ 6,130.6	$4,566.7	**$227,978.0**	*
1982	46,479.7	2,301.4	60,286.5	150,763.0	6,365.8	4,213.9	**270,410.3**	*
Percent change	0.6%	20.0%	20.3%	26.7%	3.8%	(7.7%)	**18.6%**	
1983	46,059.4	3,569.3	70,001.7	202,838.6	8,968.7	9,600.5	**341,038.2**	*
Percent change	(0.9%)	55.1%	16.1%	34.5%	40.9%	127.8%	**26.1%**	
1984	53,260.9	2,301.4	75,512.5	287,986.5	11,504.9	4,602.7	**435,168.5**	*
Percent change	15.6%	(35.5%)	7.9%	42.0%	28.3%	(52.0%)	**27.6%**	
1985	69,351.6	5,597.2	103,073.0	393,858.2	15,717.9	7,009.7	**594,607.6**	3,171.7
Percent change	30.2%	143.2%	36.5%	36.8%	36.6%	52.2%	**36.6%**	N/A

*1985 = first year measured

Source: BAR/LNA Corporate and Association Report as compiled by Leading National Advertisers

TABLE 2: TOP 10 LEADERS IN CORPORATE ADVERTISING: CORPORATIONS

January-December 1985 (ranked by total media dollars, in $ thousands)

	Seven-Media Totals	Magazines	Newspaper Supplements	Network Television	Spot Television	Network Radio	Outdoor	Cable-TV Networks
Ford Motor Co.	$ 50,811.8	$16,582.1	$ 420.0	$ 29,765.1	$ 341.5	$1,889.6	$ 94.6	$1,718.9
AT&T	44,309.0	12,929.2	—	22,490.4	2,131.5	6,347.4	—	410.5
GM Corp.	35,800.2	18,531.7	319.5	11,360.4	4,526.9	706.4	31.2	324.1
IBM Corp.	26,860.1	7,084.4	1,586.5	17,384.0	681.7	—	—	123.5
Xerox Corp.	21,829.0	210.6	—	21,044.3	88.5	—	—	485.6
GTE Corp.	17,666.8	5,755.0	—	8,040.5	3,696.8	—	25.6	148.9
Chrysler Corp.	13,954.8	3,621.2	210.0	9,012.6	1,011.0	—	—	100.0
ITT Corp.	13,609.7	4,890.4	—	8,383.7	188.9	—	3.2	143.5
Prudential Ins. Co. of America	13,180.6	3,007.2	—	9,680.0	374.2	—	—	119.2
Anheuser-Busch Cos. Inc.	12,196.5	2,436.1	—	8,379.9	1,065.1	—	9.8	305.6
TOP 10 TOTAL	**$250,218.5**	**$75,047.9**	**$2,536.0**	**$145,540.9**	**$14,106.1**	**$8,943.4**	**$164.4**	**$3,879.8**

TABLE 3: TOP 10 LEADERS IN CORPORATE ADVERTISING: ASSOCIATIONS

January-December 1985 (ranked by total media dollars, in $ thousands)

	Seven-Media Totals	Magazines	Newspaper Supplements	Network Television	Spot Television	Network Radio	Outdoor	Cable-TV Networks
GM Corp. Dirs. Assn.	$132,045.7	$ 23.9	—	—	$131,200.0	$ 1.5	$ 820.3	—
American Dairy Assn.	62,354.1	1,259.4	$139.5	$47,760.9	9,188.9	1,929.8	559.9	$1,515.7
Nissan Auto Dirs. Assn.	46,833.8	—	—	—	46,826.4	—	7.4	—
Ford Auto Dirs. Assn.	41,654.6	2.2	—	—	39,713.6	—	1,938.8	—
Blue Cross/Shield Assn.	20,083.8	1,808.5	—	4,530.0	12,184.9	1,264.8	295.6	—
Chrysler Corp. (Dodge and Dodge Truck Dealers Assn. Franchises)	16,710.8	—	—	—	16,629.5	—	81.3	—
Florists Transworld Divry. Assn.	15,037.1	1,992.5	205.5	6,845.6	71.2	5,706.7	111.9	103.7
American Gas Assn.	13,880.7	4,481.7	—	9,072.3	232.7	—	—	94.0
Subaru of America Dirs. Assn.	13,093.8	—	—	—	13,084.5	—	9.3	—
Chrysler Corp. Dirs. Assn.	12,854.0	—	—	—	12,846.4	—	7.6	—
TOP 10 TOTAL	**$374,548.4**	**$9,568.2**	**$345.0**	**$68,208.8**	**$281,978.1**	**$8,902.8**	**$3,832.1**	**$1,713.4**

NEXT MONTH IN PUBLIC RELATIONS JOURNAL

Conference Roundup

The highlights of this year's PRSA Conference, direct from the Conference floor—focusing on "Democracy in Action" and featuring speakers whose areas of expertise run the gamut from the First Amendment to foreign relations, from the politics of change to the politics of confrontation. Including talks by Warren Burger, Tom Wolfe, Helen Thomas, David Gergen, and Harry O'Neill.

The Newsletters

Part Two of a series on the weekly publications that cover the field—and how they reflect their founding editors' personalities and professional views. A visit with Pat Jackson, APR, and the *pr reporter*; Larry Ragan and the *Ragan Report*; and the folks at *Bulldog*.

Public Relations and Pornography

A look at the public relations ramifications of the Meese Commission Report and the 7-11 decision.

Workshop

Prospering under the New Tax Law
Talking High Tech
Planning an Off-Site Meeting

Ethics

A special edition of the ethics column: a take-home quiz.

Briefings

Disney World: A Freebie Fiasco?
You've Got a Friend at Dow

Questionnaire

Salaries

Advertising Expenditures

Continued from page 18 ►

increased in recent years: corporate advertising that is primarily sales-related. "A few years ago, when oil companies were the top spenders, most of the ads were of a 'goodwill' nature, but that's not the case anymore," Garbett says. Severance agrees. "The early 1980s saw the anti-business sentiment die down, primarily because, with the recession, people worried more about making a living. Since that sentiment had weighed heavily in issues advertising, that type of advertising has diminished as well."

Actual expenditures for corporate advertising may be higher than reported, because some ads that are really corporate look a lot like product advertising.

Garbett says the product-sell trend in corporate advertising can be seen in LNA's listing for the Top 10 association spenders (Table 3). Expenditures have soared for many automobile dealers associations, including a $47 million increase for the top spender, General Motors Corp. Dealers Association. "Since the dealers, not the corporation, really sell the cars," he says, "the more the dealers advertise the product lines, the more a corporation like Ford can spend to promote quality—but it's really quality spread across all of its products, for the purpose of affecting sales."

Severance agrees that the distinction between corporate and product advertising is often artificial and may therefore be impossible to measure. He feels that actual expenditures for corporate advertising may be higher than reported, because some ads that are really corporate look a lot like product advertising. "When a company talks about some new wonderful product with advanced technology, that's counted as business-to-business, not corporate, advertising. Yet they are often not trying to sell the tractor as much as they are trying to sell the corporation to the financial community. The intent of the ad is often something outsiders can't detect," he says.

Severance sees this advertising to reach the financial community as a growing trend. "A company like Beatrice in 1984 decided it was undervalued by the financial community," he says. "If the company wants to prevent others from coming in and raiding it, it must tell the financial community what the company is really worth." With the current takeover climate, Severance expects more companies to throw their advertising hats into the ring.

The distinction between what in reality is corporate and what is product advertising is further blurred by growers associations—a class of advertiser Severance sees sharply increasing. Ads such as those by the American Dairy Association, second on the list of association Top 10 spenders (Table 3), are primarily intended to move products out of the grocer's refrigerators. ADA's nearly three-fold increase from 1984 to 1985 reflects the U.S. Government's mandatory assessment for advertising funds from dairy farmers—the more milk sold, the less the government has to buy back from the farmers. Amy Truitt, marketing manager for manufactured dairy products at the ADA, says that advertising expenditures may seem high for a trade association, but, she says, "compared to our competition—soft-drink companies, coffee companies, margarine companies—we're spending very little." Since no milk and few butter companies are large enough to do their own advertising, these companies rely on the ADA to generate consumer demand for their products.

In addition to the car dealers and the ADA, other top association spenders include the Blue Cross/Blue Shield Association, the Florists Transworld Delivery Association, and the American Gas Association, all of which saw increases in their total overall spending.

While Severance thinks 1986 will be a good year for corporate advertising, Garbett fears otherwise. "From the complaints I've been hearing from publications, I suspect this year will not be as good as last—especially for magazines," he says. "In 1986, many companies pulled back on their corporate advertising, partly a result of additional belt-tightening, and partly a result of the stepped-up mergers and acquisitions game. Two companies that merge may eventually launch a new campaign, but it will only be one campaign instead of two."

The review of corporate advertising spending is published each year in *PRJ*. It reflects figures compiled by Leading National Advertisers, which monitors and categorizes advertising in select media after the ads have run. Expenditures are calculated on the basis of one-time open rates from rate cards supplied by the media; therefore, actual expenditures, taking discounts into consideration, should be lower than reported. ■

Meryl Davids is assistant editor of PRJ.